Canadian Northern Economic Development Agency (CanNor)

2014–15

Departmental Performance Report

The Honourable Navdeep Singh Bains, P.C., M.P.
Minister of Innovation, Science and Economic Development

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Ministers' Message

We are pleased to report on the Canadian Northern Economic Development Agency's key activities in 2014–15.

Our overarching goals within the Innovation, Science and Economic Development portfolio are to help Canadian businesses grow, innovate and export so that they can spur economic development and create good quality jobs and wealth for Canadians in all regions across the country; to help small businesses grow through trade and innovation; to promote increased tourism to Canada; to promote and support scientific research and the integration of scientific considerations in our investment and policy choices. We are committed to working closely with colleagues and stakeholders from all of these diverse fields to achieve these objectives.

We are pleased to present the 2014–15 Departmental Performance Report for the Canadian Northern Economic Development Agency.

The Honourable Navdeep Singh Bains
Minister of Innovation, Science and Economic Development

The Honourable Kirsty Duncan
Minister of Science

The Honourable Bardish Chagger
Minister of Small Business and Tourism

Section I: Organizational Expenditure Overview

Organizational Profile

Appropriate Minister: The Honourable Navdeep Singh Bains, P.C., M.P.
The Honourable Leona Aglukkaq, P.C., M.P. (responsible Minister for 2014-15)

President: Janet King

Ministerial Portfolio: Canadian Northern Economic Development Agency

Enabling Instrument(s): Public Service Rearrangement and Transfer of Duties Act, R.S.C. 1985, c. P-34[1]

Year of Incorporation / Commencement: 2009

Head Office:
Allavvik Building
1106 Inuksugait Plaza IV
Iqaluit, Nunavut
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Canada

Web Site: CanNor[2]

Organizational Context

Raison d'être

Contributing to jobs and growth in Canada, the Canadian Northern Economic Development Agency (CanNor) works to develop a diversified, sustainable and dynamic economy across Canada's three territories. It does this by delivering funding programs to Northerners and Aboriginal people, guiding resource development and major projects across the North through the Northern Projects Management Office (NPMO), undertaking research to support the development of evidence-based policies, advocating for northern economic prosperity and diversification, and collaborating with and aligning the efforts of other federal departments, territorial governments, Aboriginal organizations, and industry.

Responsibilities

The Agency administers a suite of contribution programs, including the Strategic Investments in Northern Economic Development (SINED), the Northern Aboriginal Economic Opportunities Program (NAEOP), and the Northern Adult Basic Education Program (NABEP). Investments from these programs can be the impetus to get a business started or expanded. They can help a community plan to benefit from upcoming economic opportunities. They can support a wide range of studies and projects from new technologies, to preparing individuals to enter the workforce. Often, these investments are a catalyst for other funding, for instance the territorial governments investing additional funds in support of CanNor funding – a reflection of the importance of partnerships and aligning efforts that is characteristic of working in the North.

Major resource development projects are the largest driver of economic development in the North, and CanNor's NPMO provides single-window path-finding and issues management for industry at all stages of resource development. Support is also provided to Aboriginal organizations that play a key role in the consideration of these projects. This work often begins during the exploration phase and takes on even greater importance during environmental assessment and regulatory permitting. The Agency coordinates all federal regulators to ensure the timeliness, transparency and predictability of regulatory efforts, while overseeing the Crown's Aboriginal consultations. CanNor also partners with communities to foster their readiness to maximize the positive impact of these projects, while working collaboratively to minimize and mitigate risks.

The Agency's pan-northern perspective and knowledge of the North are at the core of its efforts to champion the economic interests of the North within and outside the federal government. Complementing CanNor's NPMO and contribution programs, the Agency uses it policy and research capacity to examine and assess economic issues and opportunities. This informs the federal perspective on northern economic development and influences the response to challenges and opportunities.

Strategic Outcome(s) and Program Alignment Architecture

1. Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners

1.1 Program: Economic Development

1.1.1 Sub-Program: Business Development

1.1.2 Sub-Program: Community Development

1.2 Program: Policy and Alignment

1.2.1 Sub-Program: Policy and Advocacy

1.2.2 Sub-Program: Coordination and Alignment

Internal Services

Organizational Priorities

In 2014-15, CanNor played an important role in strengthening the northern economy by making investments in diverse sectors, advancing major project development, and providing an informed northern lens on federal policy and decision-making. It also continued to enhance the effectiveness and efficiency of its internal operations. Work on these priorities helped guide CanNor in its efforts to follow through on its Strategic Outcome.

Details on each of these priorities and how the Agency made progress on them are presented in proceeding tables.

Organizational Priorities

Priority	Type*	Strategic Outcome(s) [and/or] Program(s)
Strengthening the northern economy, including by focusing on key relationships	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners

Summary of Progress

What progress has been made toward this priority?

This priority was met.

CanNor's contribution programs continued to support a growing and diversified Northern economy. Through SINED, CanNor supported 47 projects with over $17.7 million in contribution funding in 2014-15: 35% of this funding was focused on leveraging opportunities in the mining and energy sectors, 65% was directed at strengthening economic development in diverse sectors. This funding also included a $1.0 million contribution towards increasing the level of capital available to support the development of northern businesses.

Through NAEOP, CanNor supported 65 projects with over $8.8 million in contribution funding in 2014-15. This included over $1.8 million in funding to 11 Aboriginal businesses, as well as equity capital of $1.5 million to create or expand Aboriginal companies.

CanNor is increasing its emphasis on multi-year projects to better reflect the nature of business development. This approach allows proponents to undertake longer-term economic initiatives, which maximize the benefits to a community, region or business. In 2014-15, CanNor supported 31 multi-year projects under SINED and 32 multi-year projects under NAEOP.

In 2014-15, CanNor invested $975,000 in the Centre for Northern Innovation in Mining (CNIM) in Yukon. This funding was part of CanNor's three-year $4.5 million commitment to the Centre to enable expanded course offerings to help more Northerners obtain skilled jobs in the resource development sector.

Through NABEP, CanNor funded 95 training programs to help northern adults acquire basic workplace skills. For instance, over 250 students completed training at Nunavut's Arctic College through its 29 adult basic education programs funded through this initiative.

* Type is defined as follows: previously committed to – committed to in the first or second fiscal year prior to the subject of the report; ongoing – committed to a least three fiscal years priority to the subject year of the report; and new – newly committed to in the reporting year of the Report on Plans and Priorities or the Department Performance Report

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Advancing major project development in the North	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners

Summary of Progress

What progress has been made toward this priority?

This priority was met.

CanNor's NPMO continued to play a leadership role in coordinating federal participation in environmental review processes for proposed major resource development in the territories. This has helped to foster a more stable and attractive investment climate in the North, which benefits all Northerners and Canadians.

In 2014-15, the NPMO worked with 50 companies representing 34 projects (projects either currently undergoing or planning to enter the environmental assessment process) with a potential of $22.2 billion in capital investment and more than 10,000 operating jobs.

The NPMO further refined its internal customized business tools, for example its engagement database, to support well-coordinated activities in order to strengthen the timeliness, predictability and transparency of northern regulatory processes.

The NPMO continued to coordinate federal departments involved in the regulatory process. For example, the NPMO led governance mechanisms such as Territorial Project Committees, Resource Development Advisory Groups, and Project Specific Working Groups to enhance early engagement and coordination of participants, reduce duplication of efforts, and quickly resolve issues to advance decision-making for resource development and major projects through regulatory processes.

The Agency's Community Readiness Initiative, a three-year pilot, is a community-led planning process, which aims to help prepare participating communities for major resource development projects by developing plans to maximize the positive impacts associated with development. Results to date include two plans, increased community awareness of the benefits associated with resource development, enhancing socio-economic community baseline data and greater collaboration with diverse partners related to this initiative.

The North presents a remote and unique operating environment for major projects. Challenges such as climate, limited infrastructure, and shortage of skilled labour make operating costs in the North much higher than elsewhere in Canada. To ensure the North remains an attractive location for global capital investment, the NPMO worked to promote investment, enhance investor certainty, improve understanding of the northern regulatory context, and positively position the North when compared to competing markets. For example, to attract foreign direct investment to the North, the Agency hosted a multi-stakeholder seminar at the Prospectors and Developers Association of Canada conference in March 2015, which was attended by both federal and territorial government senior executives, Aboriginal leaders, representatives of foreign governments, industry and industry associations.

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Effective financial management	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners

Summary of Progress

What progress has been made toward this priority?

This priority was met.

CanNor strengthened its monitoring of contribution programs in 2014-15. For example, this included on-site reviews of contribution agreements to ensure that controls over administrative and business processes were in place and that the reporting of performance measures was carried out. Together, these efforts ensure the proper ongoing financial management of CanNor's programs and their overall effectiveness.

A major exercise impacting financial management in 2014-15 was the joint implementation with Aboriginal Affairs and Northern Development Canada (AANDC) of the Systems, Applications and Products (SAP) financial system hosted by Health Canada. This project resulted in CanNor implementing a modern and sophisticated financial system with more automated work flow processes.

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Excellence in people management	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners

Summary of Progress

What progress has been made toward this priority?

This priority was met.

As a decentralized, northern-based organization, the majority of the Agency's staff live and work in the North. At the fiscal year-end, 67% of CanNor's employees were in the North: 31% in Nunavut, 22% in the Northwest Territories, and 14% in Yukon. The remainder of the Agency's employees work in the Ottawa liaison office. Approximately 24% of staff members in the Iqaluit office are *Nunavut Land Claims Agreement* beneficiaries. During the reporting year, the Agency furthered stabilized its capacity, including recruitment of new staff to fill key vacancies.

CanNor implemented an Inuit Employment Plan (IEP) to better recruit, retain, and develop Inuit staff, with the goal of employing more northern Aboriginal Canadians. Implementation of the Agency's IEP will help fulfill federal obligations established under Article 23 of the *Nunavut Land Claims Agreement*. Launched in 2013, the Inuit Learning and Development Pilot (ILDP) was developed in part to operationalize the IEP. In 2014-15, participants in the first ILDP cohort concluded their formal learning, coaching and mentoring and completed paid work assignments in different public service positions both inside and outside CanNor. The Agency hired two of the 12 ILDP graduates to full-time positions and another 4 were hired by other federal or territorial departments. Three more ILDP participants enrolled in full-time post-secondary studies.

The Agency also continued to engage its staff in CanNor's Code of Values and Ethics. The key themes highlighted in this round of engagement were democratic values and working with social media.

Priority	Type	Strategic Outcome(s) [and/or] Program(s)
Improving business processes, program and service delivery	Ongoing	Developed and diversified territorial economies that support prosperity for all Northerners

Summary of Progress

What progress has been made toward this priority?

This priority was met.

CanNor is continuously improving its business processes, program and service delivery. In 2014-15, the Agency launched its Operations Tracking and Reporting Tool (OpSTART). This tool collects information from across CanNor to track performance and service standards for projects funded across the territories. OpSTART strengthens the Agency's focus on service excellence to its clients while building a more common understanding of priorities among staff across CanNor's regions and programs. Below are the Agency's service standards results for 2014-15.

Service Standard	Target	Result
Acknowledging an Expression of Interest within 10 business days	90%	97%
Acknowledging an Application within 10 business days	90%	97%
Rendering a Funding Decision within 90 business days of receiving a signed and complete application	90%	85%
Rendering a payment within 10 business days of when payment could have been released	90%	84%*

* The learning curve associated with the introduction of a new financial system impacted the Agency's ability to render payment within the targeted timeframe

CanNor also completed its Management Action Plan commitments to the recommendations contained in Chapter 6, "Transfer Payment Programs," of the Spring 2014 Report of the Auditor General including the development of an economic officer toolkit, a new risk assessment tool for both SINED and NAEOP, quality assurance tool and regional training sessions.[3] These actions are ensuring more efficient and effective business processes.

Risk Analysis

CanNor reviewed and updated its key risks for 2014-15; therefore, the Corporate Risk Profile differs from the risks presented in the 2014-15 Report on Plans and Priorities (RPP) and now includes "human and knowledge capital" and "information management/information technology." The risks "relationships to client, partners, and stakeholders," and "legal, statutory, and land claims" were removed as they were no longer considered to be priority risk areas.

Key Risks

Risk	Risk Response Strategy	Link to Program Alignment Architecture
Operational Environment: CanNor's ability to advance economic development in the North is subject to contextual elements that are beyond the Agency's direct control and influence. This creates a risk of the Agency being unable to fully advance on its core objective. For instance, there is little ability to influence the cyclical changes in global economic dynamics that will have an important impact on the North given the region's heavy reliance on resource development.	The Agency applies its contribution programs to assist in foundational economic development and diversification. Investments in diverse sectors, and support to small and medium-sized enterprises, can help insulate the northern economy from the effects of the natural resources cyclical boom-bust cycle. The Agency also focuses on innovative approaches to leveraging resource development projects to diversify northern economies. For example, CanNor's Community Readiness Initiative helps northern communities position themselves to capitalize on business opportunities and develop economic benefits from major projects and other economic opportunities.	Economic Development, Policy and Alignment, and Internal Services
Performance Measurement: Performance measurement is required to determine the effectiveness of CanNor's programs and to inform the Agency's other functions including management processes, policy, advocacy, coordination, alignment and internal services. It is a foundation for continuous improvement.	CanNor's performance measurement strategies and indicators are systematically updated as each program is reviewed. A new tracking system to capture project-related performance data has been implemented. The Agency is also consulting with other Regional Development Agencies and Shared Services Canada on potential common strategies and systems for performance measurement.	Economic Development, Policy and Alignment, and Internal Services

Alignment with Priorities and Needs: The Agency's limited resources may not be fully aligned with its priorities. CanNor must prioritize its programs and activities appropriately to ensure that efforts are focused on priority activities that are aligned with the complex and fast-changing northern economy.	CanNor maintains a strong understanding of the economic dynamics in each of the territories, and uses this to inform its ongoing business planning and program implementation. Rigorous business planning that includes performance measurement, informed by strategic policy and economic research, enables the Agency to align its capacity with priorities. CanNor implemented innovative and cost-effective approaches to fulfilling its mandate, such as using Service Delivery Partner Arrangements with northern organizations to bring its programming closer to communities by using their own existing economic support mechanisms.	Economic Development, Policy and Alignment, and Internal Services
Human and Knowledge Capital: Competition within the limited pool of labour talent in the North carries risks in terms of both recruitment and retention. This in turn creates a larger, overall risk of CanNor lacking the knowledge / capacity to deliver consistently on its mandate. CanNor must manage the challenges associated with building and maintaining a sufficient and representative workforce in the North with the skills, competencies, and corporate knowledge base to implement the Agency's mandate. There is also a risk that CanNor is unable to meet the federal obligations established under Article 23 of the *Nunavut Land Claims Agreement*.	CanNor is implementing its Human Resources Plan, which includes an IEP and Strategic Staffing Plan, to focus on recruitment, retention, and employee development. These strategies, plans and programs work in concert to ensure the Agency has a representative workforce with qualified, knowledgeable staff. The Agency also places a focus on continuous learning and training opportunities for its staff. The Agency is using its Strategic Staffing Plan to recruit a workforce with the competencies that are critical to the success of the organization. The Agency will also use the Performance Management Process and Learning Plans to focus on succession planning and learning and development strategies. CanNor's Human Resources Plan ensures that obligations stemming from Article 23 of the *Nunavut Land Claims Agreement* are met.	Economic Development, Policy and Alignment, and Internal Services

Information Management (IM) and Information Technology (IT): IT systems and infrastructure may not sufficiently support CanNor's client and user needs, which may limit the availability of accurate and relevant information for some program and business processes. The IM/IT transformation agenda may lead to some disruptions to CanNor's systems and procedures.	CanNor maintains effective partnerships with AANDC (the Agency's IT service provider), Health Canada and Shared Services Canada to continually improve IT systems and keep pace with the broader Public Service IM/IT transformation. The Agency is identifying internal initiatives and developing strategies to improve collection, storage and use of data and is also working collaboratively with other Regional Development Agencies to explore common business requirements and implement common client relationship and case management solutions.	Economic Development, Policy and Alignment, and Internal Services

External Factors

While each territory and region is unique, economic development throughout the North is more challenging due to a sparse and widely distributed population, cyclical downturns due to a dependence on natural resource extraction, an infrastructure gap, and labour-market challenges.

In 2014, the North's real gross domestic product (GDP) rose by 3.2%, higher than the overall national increase of 2.4%. However the northern economy remains significantly less diversified than Canada as two sectors – mining, quarrying, and oil and gas extraction, and public administration – account for more than 40% of the North's GDP. This has not changed significantly over the past five years.

The North's infrastructure gap is continuing to be a significant risk factor. For example, the absence of existing infrastructure can increase capital costs by 15% for diamond mines to 2.5 times for base metal mines (when compared to the rest of Canada) and outranks all other elements in determining whether a major natural resource project can advance to production.[4]

In addition, 24% of working-age Northerners (aged 25-64) have not completed Grade 12, almost double the 13% of working-age Canadians. This situation poses an additional challenge preventing Northerners from fully benefiting from economic development opportunities.

Internal Factors

As a small Agency, CanNor relies on its service delivery agreements with other government departments (AANDC, Health Canada, Public Works and Government Services Canada, and Shared Services Canada) to help deliver its core internal functions such as information management and information technologies, finance, and staffing. As a consequence, there is a continuous need to ensure the interoperability between CanNor's customized tools and processes, such as OpSTART, and the systems provided by these other departments. In addition CanNor's ability to launch new initiatives or join broader Government of Canada initiatives is often dependent on the timeframes set by other departments.

In 2014-15, there continues to be strong competition for skilled professionals in the North, which creates ongoing recruitment and retention challenges for CanNor. This adds to the risk of CanNor being unable to build a representative workforce as required under Article 23 of the *Nunavut Land Claims Agreement.* Interest from southern candidates in northern positions is limited and often only for short-term assignments which adds to the difficulty in filling long-term skill gaps within CanNor's northern workforce.

The decentralized nature of CanNor's limited resources poses additional challenges for the Agency, impacting its ability to capitalize on knowledge and expertise to ensure consistent delivery of its mandate. CanNor must exploit diverse multiple forms of communication and information technology to manage effectively.

Actual Expenditures

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	Difference (actual minus planned)
30,945,766	30,945,766	52,685,753	49,120,561	18,174,795

Human Resources (Full-Time Equivalents [FTEs])

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
77	83	6

Budgetary Performance Summary for Strategic Outcome(s) and Program(s) (dollars)

Strategic Outcome(s), Program(s) and Internal Services	2014–15 Main Estimates	2014–15 Planned Spending	2015–16 Planned Spending	2016–17 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2013–14 Actual Spending (authorities used)	2012–13 Actual Spending (authorities used)
Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners.								
1.1 Economic Development	22,256,695	22,256,695	40,496,412	16,749,312	42,352,578	38,684,842	40,878,078	43,066,111
1.2 Policy & Alignment	4,256,120	4,256,120	4,857,866	2,148,490	4,702,797	3,955,430	3,226,458	2,006,185
Internal Services	4,432,951	4,432,951	5,314,388	4,054,555	5,630,378	6,480,289	6,674,942	7,316,314
Total	30,945,766	30,945,766	50,668,666	22,952,357	52,685,753	49,120,561	50,779,478	52,388,610

The renewal of the SINED program in the amount of $20 million in 2014-15 accounted for the majority of the increase in the Total Authorities Available for Use versus Planned Spending. The other notable increase was $975,525 to support the CNIM in Yukon.

Actual Spending was lower than Total Authorities Available for Use because total contribution funding was not fully spent. The SINED program was under-subscribed by approximately $400,000 (2% of the total budget). The NAEOP was under-subscribed by $2.1 million. This was largely due to changes in proponents' requests late in the fiscal year. In addition, operating funds were not fully spent as actual salaries were lower than anticipated because of increased attrition within the existing workforce and longer than expected staffing actions as outlined in CanNor's Risk Analysis.

Other minor financial differences are a result of the annual carry-forward, the employee benefit plan, accommodations (re)allocations and other administrative adjustments.

The increase in Planned Spending for 2015-16 is attributed to the renewal of SINED, and funding for CNIM, as well as a slight increase in Program 1.2 for the NPMO operating funding ($389,000) and an overall decrease of $3 million in Program 1.1 for the NABEP as it enters its sunset year.

The Planned Spending starting in 2016-17 is lower due to the sunsetting of SINED ($20 million), NABEP ($4 million) and NPMO funding ($2.6 million).

Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

The Agency's planned FTE count did not include FTEs associated with the SINED program as it had not been renewed at the time the RPP was drafted. Once SINED was renewed, 14 FTEs were added, however the actual FTE count only increased by 6 due to lower staffing in other areas.

Alignment of Spending With the Whole-of-Government Framework

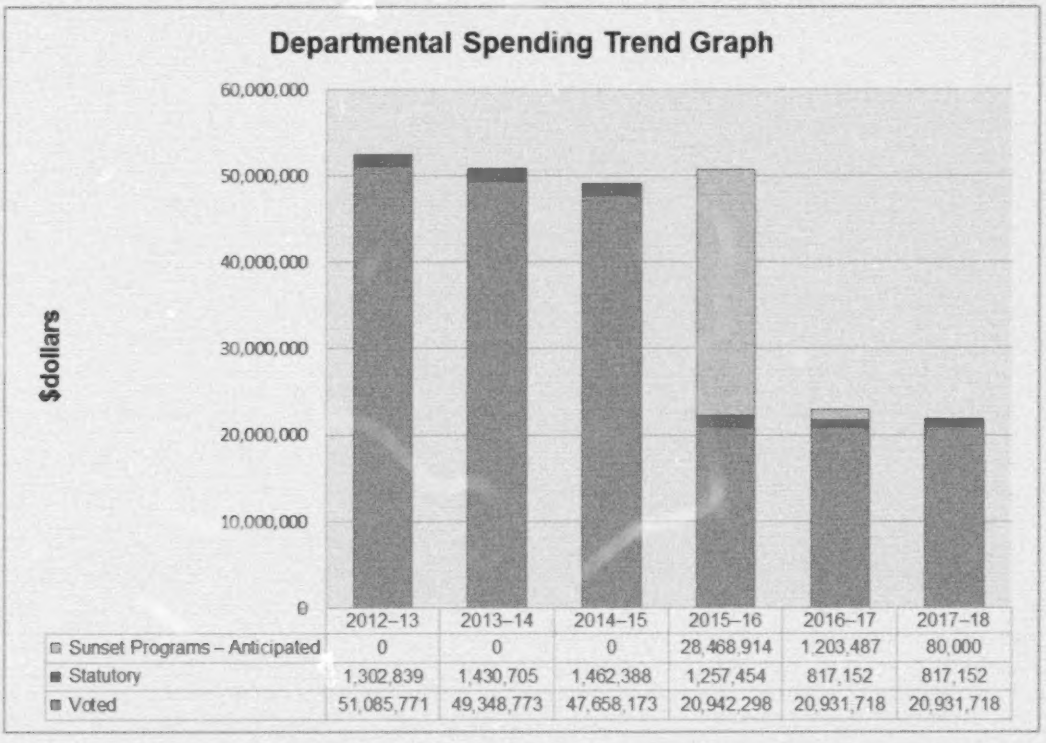
Alignment of 2014–15 Actual Spending With the Whole-of-Government Framework[5] (dollars)

Strategic Outcome	Program	Spending Area	Government of Canada Outcome	2014–15 Actual Spending
1. Developed and diversified territorial economies that support prosperity for all Northerners	1.1 Economic Development	Economic Affairs	Strong economic growth	38,684,842
	1.2 Policy & Alignment	Economic Affairs	Strong economic growth	3,955,430

Total Spending by Spending Area (dollars)

Spending Area	Total Planned Spending	Total Actual Spending
Economic affairs	26,512,815	42,640,272
Social affairs	not applicable	not applicable
International affairs	not applicable	not applicable
Government affairs	not applicable	not applicable

Departmental Spending Trend



Note: funding approval for the Canada 150 Community Infrastructure Program was received outside the reporting period and is, therefore, not depicted in this Spending Trend Graph.

The following changes impacted CanNor's spending trend between 2012-13 and 2017-18:

- spending of $3.2 million per year in 2012-13 and 2013-14 for Community Infrastructure Improvement Fund;
- spending for the NABEP ($7 million per year from 2012-13 to 2014-15, and $4 million in 2015-16);
- streamlining and efficiency measures that resulted in a reduction of $2.4 million in 2013-14;
- increased funding for the NPMO, which was approved in 2013-14 ($1.7 million in 2013-14, $2.2 million in 2014-15 and $2.6 million in 2015-16);
- the two-year renewal of the SINED program in 2014-15 for $20 million per year; and
- funding for the CNIM project ($975,000 for 2014-15, $2.4 million in 2015-16 and $1.1 million in 2016-17).

Sunsetting programs are subject to government decisions to extend, reduce, or enhance funding. Outcomes of such decisions would be reflected in the Agency's future budget exercises and Estimates documents.

Expenditures by Vote

For information on CanNor's organizational voted and statutory expenditures, consult the *Public Accounts of Canada 2015*,[6] which is available on the Public Works and Government Services Canada website.[7]

Section II: Analysis of Program(s) by Strategic Outcome

Strategic Outcome: Developed and diversified territorial economies that support prosperity for all Northerners.

Program 1.1: Economic Development

Description

This program supports economic development in Canada's territories: Nunavut, Northwest Territories, and Yukon. Ensuring that the North is able to participate actively in the economy is essential to Canada's economic growth. Each territory has unique opportunities and challenges that require individual strategies to foster a sustainable, competitive and diverse economic development. Through funding support, the Canadian Northern Economic Development Agency (CanNor) strengthens and stimulates the northern economy by taking steps to advance private sector efforts, ranging from small and medium enterprises to large-scale industry. There is also a strong focus on creating the conditions to position individuals, including Aboriginal and non-Aboriginal northerners, communities, and business-related organizations for economic success.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
22,256,695	22,256,695	42,352,578	38,684,842	16,428,147

The difference between Planned Spending and Actual Spending is primarily due to increased funding received due to the renewed SINED and funding support for the CNIM.

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
20	30	10

The Agency's planned FTE count did not include FTEs associated with the SINED program as it had not been renewed at the time the RPP was drafted. While the renewal of SINED added 14 FTEs to the Economic Development Program, the program only increased by 10 due to lower staffing in its Community Development sub-program.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased northern economic activity and well-being of northern communities	Northern Economic Index (NEI)[8]	Value of 24 to 26	Index score of 18.5

Performance Analysis and Lessons Learned

The Northern Economic Index (NEI) is constructed on a 0 to 35-point scale and comprises annual changes in seven indicators of the economy in the territories: the labour market, financial well-being of Northerners, fiscal health/sufficiency of territorial governments, investments in the territories, as well as the status of business activity.

The scheduled releases of two of NEI's seven indicators (territorial trade balance and household disposable income) have not yet occurred. As such, previous year's figures were used for the purpose of constructing the Northern Economic Index for 2014.

The NEI score of 18.5 suggests that in 2014 there was a moderate economic expansion in the North. The territories saw a decrease in the unemployment rate, an increase in average weekly earnings, and an increase in own-source revenues generated by territorial governments.

Weaker commodity prices (base and precious metal prices, in particular) and tight capital markets for junior exploration companies held back mineral exploration and appraisal across the North, similar to other regions of Canada.

In 2014-15, CanNor continued its efforts to strengthen and diversify the northern economy through investments. Some of the Agency's successes in this area include investing in:

- research of offshore and inshore fishing resources to support the continued growth of Nunavut's fishing industry;
- the launch of the Northern Greenhouse Initiative, which provides support to northern communities and business to advance productivity and commercialization of food-producing greenhouse projects;
- the Adäka Cultural Festival, a seven-day multi-disciplinary festival highlighting Yukon First Nations artists, generating economic activity while providing an opportunity to gain access to larger audiences for their work; and
- the development of wood biomass fuel industry in the NWT, a multi-year initiative in partnership with the Government of the Northwest Territories, which will help reduce the territory's reliance on imported fuels and produce cost savings of between 33% and 73% after a building is converted from a fossil fuel to a biomass system.

Sub-Program 1.1.1: Business Development

Description

This sub-program supports the growth and expansion of northern businesses, including small and medium enterprises, through advice and funding support. The sub-program's objective is to encourage a competitive, diverse northern business sector that is aligned with economic development opportunities across the North.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
4,179,978	24,997,208	20,817,230

The difference between Planned Spending and Actual Spending is primarily due to increased funding received due to the renewed SINED and funding support for the CNIM.

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
4	18	14

The Agency's planned FTE count did not include FTEs associated with the SINED program as it had not been renewed at the time the RPP was drafted. The renewal of SINED added 14 FTEs to the Business Development sub-program.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased northern business activity	Growth in GDP	Growth rate in GDP that is equal to or better than the Canadian annual growth rate	3.2% growth rate in Northern GDP compared with 2.4% for all of Canada
	Percentage of Northern and Aboriginal (individual or community-owned) businesses supported by the Agency that are still operating after three years	38%	92% In 2011-12, CanNor directly supported 12 businesses of which 11 are still in operation.
	Northern Economic Diversification Index[9]	Value of 87 to 89	88.01

Performance Analysis and Lessons Learned

Overall, the growth rate of northern GDP was greater at 3.2% than the rate of growth for Canada as a whole at 2.4%. Northwest Territories and Nunavut had the highest growth rates in the country at 6.8% and 5.8% respectively. Growth occurred across a range of sectors, particularly the construction sector, which experienced strong growth rates, increasing 45% in Nunavut and 22% in the NWT. Conversely, Yukon experienced a downturn (-1.2%) in its GDP partly due to a 7% contraction in its non-renewable sector.

The North's economy continues to be less diversified than Canada's national economy. In 2014, the index for the North was 88.01 compared with 93.01 for Canada as a whole. This is a decrease from the five-year high value of 88.52, which was registered in 2013. Two sectors – mining, quarrying, and oil and gas extraction, and public administration – account for more than 40% of the North's GDP. Over the past five years, the relative contributions of northern industry sectors have not changed significantly.

CanNor's support for a growing and diversified Northern economy is particularly evident under SINED, which funded 47 projects, totaling more than $17.7 million in 2014-15 including investments into sectors such as:

Sector	Amount
Mining and Geoscience	$4.5M
Tourism	$3.7M
Small and Medium Enterprises	$1.2M
Infrastructure feasibility	$1.2M
Traditional Harvesting	$1.1M
Agriculture	$1.1M
Forestry	$1.0M

One of the ways that the Agency's investment enhances economic development is by increasing the accumulation of reliable information and knowledge about the North. For example, in 2014-15, CanNor supported significant investment in geological research projects across the territories. This investment produced nearly 1700 new data sets, 40 reports, 34 conference presentations, 7 new maps and 4 graduate theses, all available to companies, prospectors, academics and governments. This new collection of reliable information about mineral and energy deposits will help support the long-term economic success of Canada's North.

Sub-Program 1.1.2: Community Development

Description

This sub-program supports community-level investments in infrastructure and organizations, and individual-level investments in skills and capacity development. The sub-program's objective is the establishment of economically sustainable northern communities with a high quality of life for residents.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
18,076,717	13,687,634	(4,389,083)

The difference between Planned Spending and Actual Spending is due to NAEOP lapsing $2 million and a reallocation of $1.3 million in contribution funds from the Community Development sub-program to the Business Development sub-program. The remainder of the difference is due to lower operating costs including lower staffing.

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
16	12	(4)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Economically sustainable northern communities	Self-sustaining Aboriginal communities, as reflected in the proportion of Aboriginal economic development community planning investments relative to business investments	Year-over-year increase in business investments relative to community planning investments	CanNor increased its support of Aboriginal businesses under NAEOP by $2.7 million while funding support for community economic planning initiatives fell by $2.1 million
	Percentage improvement in labour market participation by Northerners	Improvement rate that is equal to or greater than the annual Canadian rate	Northern participation rate contracted by 2% compared with 0.5% nationally

	Percentage of CanNor's investments into economic infrastructure studies that lead to infrastructure projects within five years	33%	0%

Performance Analysis and Lessons Learned

Through NAEOP, CanNor supports increased participation by northern Inuit, Métis and First Nations communities and businesses in economic opportunities. As more northern Aboriginal communities develop capacity, overall readiness, and economic development plans, the focus under NAEOP will shift towards implementing these efforts. This is expected to result in an increasing number of Aboriginal entrepreneurs and businesses accessing funding under NAEOP. In 2014-15, this shift began to occur as NAEOP's investments supporting business development increased by $2.7 million from the previous year whereas community planning investments fell by $2.1 million. CanNor will continue to effectively respond to this shift by closely monitoring the ratio of business development to community planning funding.

In 2014, the northern labour force participation rate fell 2% from the previous year compared to 0.5% nationally due to a decline in the NWT and Nunavut. The drop in NWT is in part linked to working-age individuals leaving the territory. With its young population, the decline in Nunavut is partially the result of an increasing number of youth still completing education or unable to gain an initial foothold in the labour market due to a lack of essential workplace skills. Through NABEP, CanNor is helping to increase northern residents' labour market participation. For example, in 2014-15, Yukon College hosted 22 adult basic education training courses: 215 students participated in these courses, of which 122 were subsequently hired and another 57 went on to further education.

In 2010-11, CanNor funded 9 feasibility studies for economic infrastructure projects such as hydro developments, wind energy, and an incubator mall. As of March 2015, these studies have not yet led to new infrastructure. Infrastructure building in the North continues to be a challenge due to short construction seasons, high demand for available infrastructure dollars, and overall capacity to support projects. In addition, larger scale projects may fall outside the five-year window due to their more extensive environmental review processes. CanNor will continue to closely monitor the effectiveness and outcomes of feasibility studies.

Program 1.2: Policy and Alignment

Description

This program supports research and analysis to guide programming and policy choices, the promotion of northern interests both inside and outside of the federal government, and the development of horizontal strategies, initiatives and projects to address economic development challenges and opportunities in the North.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
4,256,120	4,256,120	4,702,797	3,955,430	(300,690)

The difference between Planned Spending and Actual Spending is due to staffing vacancies and ensuing savings in salaries and related operating expenses.

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
29	25	(4)

The difference between Planned FTEs and Actual FTEs is due to hiring delays.

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Policies, programs and initiatives that are effective in strengthening the northern Canadian economy and, therefore, enable Northerners to access business and community development opportunities	Composite of performance indicators for the Economic Development Program and the related sub-programs of Business Development and Community Development	Meet or exceed at least 2/3 of targets identified in Program 1.1 and the related sub-programs	CanNor met 4/7 of targets

Performance Analysis and Lessons Learned

The Policy and Alignment program encompasses both the Agency's strategic policy and planning unit as well as the NPMO. CanNor uses its policy, research, and coordination capacity to examine economic issues and opportunities to inform the delivery of the Agency's contribution programs and NPMO operations. CanNor measures the effectiveness of this program by how successful the Agency is in meeting its overall strategic objective of strengthening the northern economy. As such, the performance indicator is a composite indicator. In 2014-15, the Agency met four of the seven performance indicator targets it used to assess its Economic Development program and its related sub-programs.

For instance, the lack of infrastructure remains a barrier to economic and community development in the territories. CanNor will increase its focus on this issue, working with federal departments, as well as territorial and private sector partners, in order to maximize the impact of government and private investments in northern infrastructure.

Further, the lack of employment skills continues to prevent some Northerners from fully participating in the northern economy. Working with the northern colleges and others, the Agency continues to look for ways to help strengthen adult basic and post-secondary education in the territories.

The reliance on resource development in the northern economy makes it susceptible to global economic downturns. Nevertheless, there are opportunities associated with the current drop in commodity prices. As resource development has long lead times as projects move from exploration to regulatory assessment, proponents can use this current period to further develop their proposals and refine their approach. The NPMO continues to work with companies to advance their efforts so that projects are in position for the next demand cycle.

The Agency will continue to build on 2014-15 successes such as supporting the continued strengthening of the business investments under NAEOP as more northern Aboriginal communities are in the position to implement their community economic plans. Further policy work and research into the northern small business environment will support this priority.

Sub-Program 1.2.1: Policy and Advocacy

Description

This sub-program informs departmental decision making by providing a solid base of knowledge and understanding to develop effective programs and federal initiatives; to support the development of the Agency's strategic priorities; to provide input to national programs and policies; and to establish strategic partnerships with governments and stakeholders from the private and not-for-profit sectors. CanNor puts a particular emphasis on the overall performance of the natural resource development sector.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
2,054,678	1,977,715	(76,963)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
14	12	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Well-informed, evidence-based policy decisions reflecting opportunities and challenges of the northern economy	Assessment of CanNor's performance as determined in audits and evaluations	Positive Assessment	Auditor General's Spring 2014 Report[10]

Performance Analysis and Lessons Learned

CanNor is committed to continuously improving delivery of its programs. By March 31, 2015, CanNor had implemented a suite of measures in response to the Auditor General's report to improve the efficiency and effectiveness of the Agency's business processes.[11] For example, CanNor has implemented service standards, a performance measures reporting template, and standardized assessment processes such as more robust project risk assessment tools.

In 2014-15, CanNor continued to bring a "northern lens" to other federal government programming and policy making. Some of CanNor's impact in this area includes:

- working with the Department of Fisheries and Oceans and the Atlantic Canada Opportunities Agency to develop the "Certification and Market Access for Seals Program," which received funding through Budget 2015;
- partnering with the other regional development agencies and Infrastructure Canada to develop the "Canada 150 Community Infrastructure Program," which received funding through Budget 2015;
- partnering in Environment Canada's and Parks Canada's work on enhancing tourism around northern national parks and protected areas;

- undertaking research and policy development, alongside its partners such as Infrastructure Canada, to examining existing gaps in northern economic infrastructure and exploring potential solutions, including removing regulatory barriers related to resource development infrastructure and leveraging private resource sector investments and targeted federal infrastructure funding; and
- assisting AANDC and Industry Canada, to develop a series of comprehensive analyses and options papers on the state of connectivity in the North and its economic implications, which informed Industry Canada's analysis related to funding of northern connectivity under the Connecting Canadians Program.

Sub-Program 1.2.2: Coordination and Alignment

Description

This sub-program engages a range of economic actors (government, non-governmental organizations, Aboriginal organizations and private companies) to address the economic priorities of the North, and to leverage resources and investments by building partnerships and coordination with other federal departments and northern stakeholders. CanNor's Northern Projects Management Office (NPMO) is a reflection of this approach as it works with project proponents, federal and territorial departments, Aboriginal communities and others to advance resource development.

Budgetary Financial Resources (dollars)

2014–15 Planned Spending	2014–15 Actual Spending	2014–15 Difference (actual minus planned)
2,201,442	1,977,715	(223,727)

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
15	13	(2)

Performance Results

Expected Results	Performance Indicators	Targets	Actual Results
Increased effectiveness and transparency in the management of federal environmental approval processes and other federal administrative processes	Percent of project agreements provided to federal regulators within one month of the project being submitted for screening with a northern regulatory board	90%	N/A

The actual results are not available (N/A) because this performance indicator is under development. Rather than have detailed separate project agreements for each major project, the methodology was changed to develop compendium for each territorial regulatory regime. These compendiums, along with a standardized template for project agreements, will be implemented in 2015-16.

Performance Analysis and Lessons Learned

CanNor's ability to foster resource development in the North is largely the result of efforts made to build and deepen partnerships and coordination with northern partners, including industry and Aboriginal organizations. Some of NPMO's achievements over the past year include:

- acting as a single-window for issues management for 350 industry engagements as tracked through NPMO's database;
- working with communities across the North - Pond Inlet, Kugluktuk and Cambridge Bay in Nunavut, the Yellowknives Dene First Nation, Tulita and Fort Resolution in the Northwest Territories, and Little Salmon Carmacks First Nation in Yukon – to develop community readiness plans in order to help communities prepare to maximize the positive and mitigate the negative socio-economic impacts of planned major resource development projects;
- chairing 14 Resource Development Advisory Group sessions across the North, attended by project proponents, territorial and federal regulators, and Aboriginal representatives, enabling the proponent to obtain early feedback on a proposed project before the project enters the environmental assessment process;
- providing an opportunity for Aboriginal, territorial, and federal partners to look more broadly at resource development in each territory through eight Territorial Project Committee meetings;
- developing a Crown Consultations Tracker, which consolidates information gathered from Aboriginal engagements and consultations undertaken by proponents and government officials collaboratively working to ensure the Crown is meeting its duty to consult; and
- coordinating federal input into the regulatory process through Project-Specific Working Groups, and in doing so, working to improve regulatory cooperation in the North through project-specific work plans.

Internal Services

Description

Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Budgetary Financial Resources (dollars)

2014–15 Main Estimates	2014–15 Planned Spending	2014–15 Total Authorities Available for Use	2014–15 Actual Spending (authorities used)	2014–15 Difference (actual minus planned)
4,432,951	4,432,951	5,630,378	6,480,289	2,047,338

The difference is between Actual Spending and Planned Spending was due to higher than expected volumes in translation and external services to support staffing actions. Although spending was higher than planned, the three-year spending trend for Internal Services continues to decrease (see Budgetary Performance Summary table).

Human Resources (FTEs)

2014–15 Planned	2014–15 Actual	2014–15 Difference (actual minus planned)
28	28	0

Performance Analysis and Lessons Learned

As committed to in the Agency's Management Action Plan[12] in response to the Auditor General's Spring 2014 report[13], CanNor filled nine positions in the Iqaluit office, increasing its percentage of CanNor FTEs to 31%. Approximately 24% of staff members in the Iqaluit office are *Nunavut Land Claims Agreement* beneficiaries. The remaining employees were split between the Yukon (14%) and NWT (22%) regional offices and the Ottawa liaison office (33%).

CanNor approved an IEP, an obligation under the *Nunavut Land Claims Agreement*, for 2014-17. As part of the implementation of that plan, the first cohort of Inuit participants completed the ILDP project. CanNor subsequently hired two of the 12 ILDP graduates to full-time positions. The Agency is committed to continue the implementation of IEP through providing learning opportunities, coaching, and mentoring to employees, as well as raising

awareness of employment opportunities, as part of ongoing efforts to recruit and retain *Nunavut Land Claims Agreement* beneficiaries in the Iqaluit office.

As part of its continuous efforts to improve the efficiency and effectiveness of financial management, the Agency successfully implemented the SAP financial system and a new travel system. These initiatives required extensive reworking of existing workflows and training.

The quality assurance role in contribution reporting from recipients was established in CanNor Finance (previously with AANDC). Efficiencies were gained through centralizing this function in the Agency's headquarters.

In 2014-15, CanNor concluded its first annual review against its Office Accommodation Framework, which demonstrated the Agency's continuous optimization of space since its inception.

CanNor was not part of the transfer to the government-wide email and document management systems in 2014-15. Internal preparations have been adjusted to reflect the new transfer date in Fall of 2015.

The Agency updated its website to add improved and detailed information for its clients on program applications and business tools, including application forms, program terms and conditions, and service standards. CanNor actively participated in collaboration with other government departments, in the work to migrate its web content to the new Canada.ca site, with a view to ensuring that its role as a hub for northern information, programs and services would feature prominently. The Agency initiated work to improve its intranet site to make collaboration tools more accessible, and promote information sharing across regions and teams.

Section III: Supplementary Information

Financial Statements Highlights

Condensed Statement of Operations (unaudited)
For the Year Ended March 31, 2015
(dollars)

Financial Information	2014–15 Planned Results	2014–15 Actual	2013–14 Actual	Difference (2014–15 actual minus 2014–15 planned)	Difference (2014–15 actual minus 2013–14 actual)
Total expenses	32,459,000	51,694,082	51,936,675	(19,235,082)	(19,477,675)
Total revenues	-	-	-	-	-
Net cost of operations before government funding and transfers	32,459,000	51,694,082	51,936,675	(19,235,082)	(19,477,675)

Planned Results are as indicated in the 2014-15 Future Orientated Financial Statements, other information is from the 2014-15 Annual Financial Statement.

Condensed Statement of Financial Position (unaudited)
As at March 31, 2015
(dollars)

Financial Information	2014–15	2013–14	Difference (2014–15 minus 2013–14)
Total net liabilities	27,367,881	25,944,253	1,423,628
Total net financial assets	26,460,161	25,250,092	1,210,069
Departmental net debt	907,720	694,161	213,559
Total non-financial assets	801,277	1,622,100	(820,823)
Departmental net financial position	(106,443)	927,939	(1,034,382)

All information is from the 2014-15 Annual Financial Statement.

Financial Statements

Total Expenses have remained relatively consistent over the last two years.

The main difference between Planned and Actual Spending is the renewal of SINED and new funding for CNIM. Though the costs for these programs are included in the actuals, they are not included in the Planned Spending.

Operating expenses were higher than the previous year by $1.6 million. This increase is mostly due to additional salary and employee benefit costs resulting from the increased regional and NPMO staffing in the North, and a re-evaluation of the amortization balance related to a leasehold improvement.

Contribution payments overall were lower than last year by $1.8 million as a result of the sunsetting of the Community Infrastructure Improvement Fund in 2013-2014 ($3.2 million), offset by the new funding for the CNIM ($975,000) and CanNor's funding programs being slightly more under-subscribed in 2014-15.

A large percentage of CanNor's contribution funding is set up as an accrued liability at the end of the year. In 2014-15, approximately $1 million more of these contribution liabilities were set up compared to 2013-14. This increases the financial assets by increasing the Due from the Consolidated Revenue Fund account accordingly. A large portion of these accrued payments were paid at the beginning of the new fiscal year.

Non-financial assets include leasehold improvements and vehicles for which the net value is decreasing because of the related amortization expense (vehicles are fully amortized). Though as mentioned above, a re-evaluation of the amortization balance for the leasehold was done in 2014-15.

CanNor's Financial Statements can be found on the Agency's website[14].

Supplementary Information Tables

The supplementary information tables listed in the *2014–15 Departmental Performance Report* can be found on CanNor's website[15].

- Departmental Sustainable Development Strategy;
- Details on Transfer Payment Programs of $5 Million or More; and
- Internal Audits and Evaluations.[16]

Tax Expenditures and Evaluations

The tax system can be used to achieve public policy objectives through the application of special measures such as low tax rates, exemptions, deductions, deferrals and credits. The Department of Finance Canada publishes cost estimates and projections for these measures annually in the Tax Expenditures and Evaluations[17] publication. The tax measures presented in the Tax Expenditures and Evaluations publication are the responsibility of the Minister of Finance.

Section IV: Organizational Contact Information

Canadian Northern Economic Development Agency

Allavvik Building
1106 Inuksugait Plaza IV
Iqaluit, Nunavut X0A 0H0
Canada

Web site: CanNor[18]

Appendix: Definitions

appropriation (*crédit*): Any authority of Parliament to pay money out of the Consolidated Revenue Fund.

budgetary expenditures (*dépenses budgétaires*): Includes operating and capital expenditures; transfer payments to other levels of government, organizations or individuals; and payments to Crown corporations.

Departmental Performance Report (*rapport ministériel sur le rendement*): Reports on an appropriated organization's actual accomplishments against the plans, priorities and expected results set out in the corresponding Report on Plans and Priorities. These reports are tabled in Parliament in the fall.

full-time equivalent (*équivalent temps plein*): Is a measure of the extent to which an employee represents a full person-year charge against a departmental budget. Full-time equivalents are calculated as a ratio of assigned hours of work to scheduled hours of work. Scheduled hours of work are set out in collective agreements.

Government of Canada outcomes (*résultats du gouvernement du Canada*): A set of 16 high-level objectives defined for the government as a whole, grouped in four spending areas: economic affairs, social affairs, international affairs and government affairs.

Management, Resources and Results Structure (*Structure de la gestion, des ressources et des résultats*): A comprehensive framework that consists of an organization's inventory of programs, resources, results, performance indicators and governance information. Programs and results are depicted in their hierarchical relationship to each other and to the Strategic Outcome(s) to which they contribute. The Management, Resources and Results Structure is developed from the Program Alignment Architecture.

non-budgetary expenditures (*dépenses non budgétaires*): Includes net outlays and receipts related to loans, investments and advances, which change the composition of the financial assets of the Government of Canada.

performance (*rendement*): What an organization did with its resources to achieve its results, how well those results compare to what the organization intended to achieve and how well lessons learned have been identified.

performance indicator (*indicateur de rendement*): A qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of an organization, program, policy or initiative respecting expected results.

performance reporting (*production de rapports sur le rendement*): The process of communicating evidence-based performance information. Performance reporting supports decision making, accountability and transparency.

planned spending (*dépenses prévues*): For Reports on Plans and Priorities (RPPs) and Departmental Performance Reports (DPRs), planned spending refers to those amounts that receive Treasury Board approval by February 1. Therefore, planned spending may include amounts incremental to planned expenditures presented in the Main Estimates.

A department is expected to be aware of the authorities that it has sought and received. The determination of planned spending is a departmental responsibility, and departments must be able to defend the expenditure and accrual numbers presented in their RPPs and DPRs.

plan (*plan*): The articulation of strategic choices, which provides information on how an organization intends to achieve its priorities and associated results. Generally a plan will explain the logic behind the strategies chosen and tend to focus on actions that lead up to the expected result.

priorities (*priorité*): Plans or projects that an organization has chosen to focus and report on during the planning period. Priorities represent the things that are most important or what must be done first to support the achievement of the desired Strategic Outcome(s).

program (*programme*): A group of related resource inputs and activities that are managed to meet specific needs and to achieve intended results and that are treated as a budgetary unit.

Program Alignment Architecture (*architecture d'alignement des programmes*)**:** A structured inventory of an organization's programs depicting the hierarchical relationship between programs and the Strategic Outcome(s) to which they contribute.

Report on Plans and Priorities (*rapport sur les plans et les priorités*): Provides information on the plans and expected performance of appropriated organizations over a three-year period. These reports are tabled in Parliament each spring.

result (*résultat*): An external consequence attributed, in part, to an organization, policy, program or initiative. Results are not within the control of a single organization, policy, program or initiative; instead they are within the area of the organization's influence.

statutory expenditures (*dépenses législatives*): Expenditures that Parliament has approved through legislation other than appropriation acts. The legislation sets out the purpose of the expenditures and the terms and conditions under which they may be made.

Strategic Outcome (*résultat stratégique*): A long-term and enduring benefit to Canadians that is linked to the organization's mandate, vision and core functions.

sunset program (*programme temporisé*): A time-limited program that does not have an ongoing funding and policy authority. When the program is set to expire, a decision must be made whether to continue the program. In the case of a renewal, the decision specifies the scope, funding level and duration.

target (*cible*): A measurable performance or success level that an organization, program or initiative plans to achieve within a specified time period. Targets can be either quantitative or qualitative.

voted expenditures (*dépenses votées*): Expenditures that Parliament approves annually through an Appropriation Act. The Vote wording becomes the governing conditions under which these expenditures may be made.

whole-of-government framework (*cadre pangouvernemental*): Maps the financial contributions of federal organizations receiving appropriations by aligning their Programs to a set of 16 government-wide, high-level outcome areas, grouped under four spending areas.

Endnotes

1. Main legislative authorities: http://laws-lois.justice.gc.ca/eng/acts/P-34/index.html
2. http://www.cannor.gc.ca/eng/1351104567432/1351104589057
3. CanNor's Action Plan in Response to the Recommendations Contained in Chapter 6 - Transfer Payment Programs of the Spring 2014 Report of the Auditor General of Canada
4. Association of Consulting Engineering Companies, Canada; Mining Association of Canada, N.W.T & Nunavut Chamber of Mines, Prospectors & developers Association of Canada and Yukon Chamber of Mines. 2015. *[illegible] and mining in the*
5. Whole-of-government framework
6. *Public Accounts of Canada 2015*
7. Public Works and Government Services Canada website
8. Northern Economic Diversification Index (NEDI)
9. Office of the Auditor General's Spring 2014 Report: http://www.oag-bvg.gc.ca/internet/English/parl_oag_201405_06_e_39337.html
10. CanNor's Action Plan in Response to the Recommendations Contained in Chapter 6 - Transfer Payment Programs of the Spring 2014 Report of the Auditor General of Canada
11. Auditor General's Spring 2014 Report http://www.oag-bvg.gc.ca/internet/English/parl_oag_201405_06_e_39337.html
12. CanNor's Financial Statements: http://www.cannor.gc.ca/eng/1370435709347/1370436040329

15. CanNor's Estimates Documents
http://www.cannor.gc.ca/eng/1387820400013/1387820480580

16. CanNor's Website: http://www.cannor.gc.ca/eng/1387820400013/1387820480580

17. Government of Canada Tax Expenditures, http://www.fin.gc.ca/purl/taxexp-eng.asp

18. CanNor Website http://www.cannor.gc.ca/eng/1351104567432/1351104589057